

**KANSAS CITY UNIVERSITY OF MEDICINE AND BIOSCIENCES  
1750 INDEPENDENCE AVENUE  
KANSAS CITY, MISSOURI 64106**

January 22, 2010

**FEDERAL EXPRESS**

Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

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COMMISSION  
2010 JAN 25 PM 12:03  
OFFICE OF GENERAL  
COUNSEL

Re: Karen L. Pletz

To Whom It May Concern:

In connection with the sua sponte submission, dated December 31, 2009, filed on behalf of the Kansas City University of Medicine and Biosciences (the "University") by Polsinelli Shughart PC, the University hereby notifies the Federal Election Commission ("FEC") of potential violations of the Federal Election Campaign Act ("FECA") committed by Karen L. Pletz.

The University, which is located at 1750 Independence Avenue, Kansas City, Missouri 64106 and which was formally known as The University of Health Sciences, is a Missouri nonprofit corporation that was incorporated on September 22, 1916 and is also a tax-exempt organization. Ms. Pletz was hired as the University's President and Chief Executive Officer on November 1, 1995 and served in such position until her employment was terminated on December 18, 2009.

In September and October 2009, a series of issues were confidentially brought to the attention of the University's Board of Trustees. In October 2009, the Board of Trustees formed a Special Committee of the Board of Trustees ("Special Committee") to evaluate and investigate that series of issues. These issues, which were not related to possible violations of FECA or other election laws, implicated several employees of the University, including Ms. Pletz.

The Special Committee retained special counsel to represent the University and work with the Special Committee. In this regard, Polsinelli Shughart PC was engaged by the University to assist with the internal investigation. While conducting the internal investigation, the Special Committee and Polsinelli Shughart discovered information that may evidence a potential violation of FECA by Ms. Pletz. That information is attached to this letter and is summarized below:

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1999 Memo

On September 26, 1999, Ms. Pletz provided an internal memorandum to Dr. Jack Weaver, the former Chairman of the Board of Trustees (the "1999 Memo"). A copy of the 1999 Memo is attached hereto as Exhibit A. In the 1999 Memo, which was authored by Ms. Pletz (who is an attorney), the issue of the University becoming involved in political activity was raised. The 1999 Memo advised Dr. Jack Weaver (who was a physician and was 65 years old at the time of the 1999 Memo and who is now deceased) regarding Ms. Pletz's interest in political influence that would benefit the University.

In particular, on page 2 of the 1999 Memo, Ms. Pletz acknowledged that the University, as a 501(c)(3) non-profit corporation, is prohibited from making political contributions, but that Ms. Pletz ~~must~~ personally make political contributions. As a result, Ms. Pletz proposed that the University provide her with additional compensation, which she proposed to be in the form of a housing allowance, so that she could use such additional compensation to make political contributions that the University could not make. The amount of such additional compensation that Ms. Pletz proposed was an immediate lump sum payment of \$42,000 from the University to Ms. Pletz, as well as an increase of \$42,000 to Ms. Pletz's salary starting on November 1, 1999.

Documents Related to 1999 Memo

On September 27, 1999, which was the day after the date of the 1999 Memo, the Compensation and Benefits Committee of the University's Board of Trustees ("Compensation Committee") held a meeting for the purpose of reviewing the annual salary and performance of Ms. Pletz. At that meeting, the Compensation Committee agreed, among other things, to recommend to the Board of Trustees a retroactive adjustment to Ms. Pletz's salary in the amount of \$42,000, an increase in Ms. Pletz's annually salary from \$265,000 to \$317,000, and the continuation of a \$15,000 stipend for Ms. Pletz's membership in the United Way's Texanville Society. A copy of the approved minutes of the September 27, 1999 meeting of the Compensation Committee is attached hereto as Exhibit B. There is no evidence that the 1999 Memo was provided to the Compensation Committee and the minutes from the Compensation Committee meeting do not contain any reference to the 1999 Memo.

On October 8, 1999, the Executive Committee of the University's Board of Trustees ("Executive Committee") held a meeting, immediately followed by the regular quarterly meeting of the Board of Trustees. Attached hereto as Exhibits C and D respectively are (i) a draft of minutes of the October 8, 1999 meeting of the Executive Committee (which are in draft format as the University is unable to locate a final signed copy of the minutes) and (ii) a final approved copy of the minutes of the October 8, 1999 quarterly meeting of the Board of Trustees. The Executive Committee meeting minutes evidence that the Executive

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Committee agreed with the recommendation of the Compensation Committee regarding the lump sum payment and increase in annual salary for Ms. Platz. In addition, the minutes of the meeting of the Board of Trustees evidence the approval of the recommendations of the Compensation Committee. There is no evidence that the 1999 Memo was provided to either the Executive Committee or the Board of Trustees and the minutes of the Executive Committee and Board of Trustees meetings do not contain any reference to the 1999 Memo.

On October 8, 1999, Dr. Jack Weaver signed a "personnel action form" to authorize the University's payment of \$42,000 to Ms. Platz. A copy of that personnel action form is attached hereto as Exhibit E. From the University's payroll records, it has been determined that on October 15, 1999, \$42,000 was wire transferred from the University to Ms. Platz. A copy of the instruction from Ms. Platz to the University regarding how the funds should be transferred to her bank account and Ms. Platz's earnings statement that reflects the payment of the \$42,000 to Ms. Platz are both attached hereto as Exhibits F and G respectively.

Other than Dr. Jack Weaver, there is no evidence that the 1999 Memo was provided to any member of the University's Board of Trustees. It should also be noted that only one current member of the Board of Trustees was a member of the Board in 1999. That Trustee, Dr. Edwin Strickland, stated that he was never aware of 1999 Memo until it was brought to his attention in connection with the internal investigation. In addition, prior to the internal investigation, none of the other current members of the Board of Trustees had seen or were aware of the 1999 Memo.

#### Report of the President

In November 2009, Ms. Platz delivered a "Report of the President" to the Board of Trustees. The Report of the President is attached hereto as Exhibit H. On page 6 of such report, Ms. Platz stated that she devotes her leadership stipend to "strategic support of legislative leadership in higher education/medical education/health policy."

As part of her compensation from the University, Ms. Platz received a leadership stipend. At the time her employment was terminated, Ms. Platz's leadership stipend amounted to \$195,000 per year. From the University's records, it appears that a leadership stipend was paid by the University to Ms. Platz starting in 2002 and continued to the date Ms. Platz's employment was terminated (December 18, 2009). The Compensation Committee's meeting minutes indicate that the concept of a leadership stipend was approved on several occasions; however, specific amounts of the leadership stipend were not approved by the Compensation Committee. There are minutes of Executive Committee meetings that indicate the Executive Committee approved the specific amounts of the leadership stipends. However, the internal investigation has uncovered that many of the Executive Committee meetings never occurred and that the signatures on

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those minutes were either copied from signatures on other documents or were signed without knowledge of what was contained in the minutes.

Prior to receiving the Report of the President, and except as discussed immediately below, the current members of the University's Board of Trustees were either not aware of the existence of the leadership stipend or were not aware that the leadership stipend was used to make political contributions.

#### Text Message

On October 28, 2009, Ms. Pletz sent a text message to the current Chairman of the Board of Trustees, Dr. Howard D. Weaver. A copy of the text message is attached hereto as Exhibit I. In the text message, Ms. Pletz requested that her stipend be processed and paid so that she could make political contributions. This text message is the first time that Dr. Howard D. Weaver was aware that Ms. Pletz's stipend may have been used to make political contributions.

The Special Committee has confirmed that, between 1999 and 2009, Ms. Pletz made contributions to both federal and state candidates and committees. Through the FEC website, the Special Committee and Polsinelli Shughart have examined the contributions made by Ms. Pletz to candidates for federal office and federal committees, and have discovered that Ms. Pletz made at least fifteen (15) separate contributions to federal candidates and committees between 1999 and 2009. A list of these contributions is attached hereto as Exhibit J.<sup>1</sup>

The Special Committee's discovery of these potential violations occurred very recently, and upon such discovery, the Special Committee reported the possible violations to the Board of Trustees. As stated in the University's sua sponte submission, dated December 31, 2009, which was filed by Polsinelli Shughart PC on behalf of the University, the Board of Trustees will not tolerate any potential wrongdoing and will not be complicit in any wrongdoing. Therefore, upon hearing the Special Committee's interim report at a meeting on December 18, 2009, the Board of Trustees immediately voted to self-report any and all possible violations of FECA to the FEC and to completely and fully cooperate with any action by or request from the FEC.


In connection with the University's sua sponte submission, in accordance with and as required by 2 U.S.C. § 437g, and for all the reasons set forth herein, the University hereby files this complaint against Karen L. Pletz for potential violations of FECA. The University and the Board of Trustees further pledge their full and complete support to and cooperation with the FEC in any review or investigation that the FEC conducts. The University and the Board of Trustees will provide the FEC with any documents or materials that the FEC would like to review, and the Chairman of the Board and any other representatives of the University and counsel will make themselves available to the FEC at any time that is convenient to the FEC.

<sup>1</sup> The contributions were uncovered through an individual contributor search on the FEC website at <http://www.fec.gov/disclosure/individuals.shtml>. Such list of contributions encompasses every federal contribution made by the President using this search mechanism, but there is the possibility that additional contributions have been made.

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If you have any questions or need any information, please do not hesitate to contact me.

Sincerely,

  
Howard D. Weaver, D.O.  
Chairman of the Board of Trustees  
Kansas City University of Medicine and Bioscience

Attachments

STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF JACKSON    )

On this 22 day of January, 2010, before me personally appeared Howard D. Weaver, D.O., duly sworn to be the person described herein and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

  
NOTARY PUBLIC

My Commission Expires:

6/30/13



SHARI LE PONDER  
My Commission Expires  
August 30, 2013  
City County  
Commission #06746244

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